

UTILITY OPERATIONS DIVISION ROUTING SLIP

File No. 200300089

To:	Initial:	Assigned:	August 01, 2002	
Chair Simmons	KSX	From:	Initial	Date Revised
Commissioner Murray	cm	Mr. Kuss	APK	08/09/02
Commissioner Lumpe	SL	Wm. Voight	8-9	
Commissioner Gaw	7/11/02 (No)	Mr. VanEschen	8/12	
Commissioner Forbis	DF	Legal	WKTf	08/13/02
Agenda Date: 8/27/02				
Final Agenda: August 29, 2002		Staff Deadline: August 22, 2002		By 5:00pm
Commission Action:				
Approve:	Suspend:	STAFF RECOMMENDS APPROVAL.		

Company: **McDonald County Telephone Company**Effective Date: **September 01, 2002**Purpose: **Adjust the value of the IntraLATA Dialing Parity Cost Recovery Surcharge**

On August 01, 2002, McDonald County Telephone Company (McDonald County), an Incumbent Local Exchange Carrier (ILEC), filed a proposed revision with the Public Service Commission (Commission) to its P.S.C. MO No. 5 Telephone Service Tariff. The proposed change will:

- Increase the rate for a temporary surcharge to recover the cost of implementation of IntraLATA equal access.

I. Background

On June 10, 1999, the Commission approved McDonald County's proposed IntraLATA Toll Dialing Parity (ILDLP) Implementation Plan in its Report and Order (Order) in Case No. TO-99-515. ILDP allows a Local Exchange Carrier (LEC) customer to direct-dial a long distance number (1+ or 0+) without first dialing an access code, by using a preselected toll provider. The Commission's Order directed McDonald County to submit data when available showing the cost of ILDP, and to then submit revised tariffs as necessary for recovery of those costs. In accompanying cases at that time, certain other LECs received similar directions.

McDonald County is recovering its costs of implementation of IntraLATA presubscription by applying a surcharge to its Carrier Common Line (CCL) access charge, to continue for up to three (3) years following the Effective Date of the initial filing. The amount of the surcharge, known as the Equal Access Cost Recovery (EACR) surcharge, was set at \$0.00205, which is being applied monthly to all intrastate originating access minutes. The surcharge was approved by the Commission effective July 12, 2000, under File No. 2000 01159.

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McDonald County accumulated actual financial data relevant to its progress in recovery of the costs of ILDP through the surcharge. From that data, it appears evident that recovery of the costs will not be complete within the expected three-year period with the current EACR rate. With the instant filing, McDonald County now proposes to increase its surcharge to **\$0.00297** for the remaining portion of its original three-year period, which will terminate on **July 12, 2003**. In support of this filing, McDonald County has submitted a Proprietary financial analysis of the accruing and projected revenues and costs of the ILDP services.

In January, 2002, Case Nos. TT-2002-310, TT-2002-311 and TT-2002-312 were established and consolidated, which were to address the tariff proposals of Mid-Missouri Telephone Company (Mid-Mo) and other ILECs with similar expected EACR shortfalls. The proposed changes were to extend the collection period of the temporary surcharge at its current rate until the costs of ILDP were fully recovered. On April 25, 2002, the Commission issued its Order Rejecting Tariffs in the consolidated cases, rejecting those proposed tariff pages that would have extended the EACR collection period. On May 01, 2002, Mid-Mo and others submitted new tariff pages to increase the EACR surcharges for the remainder of the original three (3) -year recovery period. File Nos. 200200933, 200200934 and 200200935 were approved by the Commission to raise the surcharges effective June 01, 2002.

Currently before the Commission at this writing are File Nos. 200300072 (Ellington Telephone Company), 200300090 (Peace Valley Telephone Company), and 200300099 (Lathrop Telephone Company), each of which is submitted for the same purpose. The table below shows the status of the various ILEC and EACR surcharges for reference with the proposed changes in rates.

II. Summary Recommendation

The Telecommunications Department Staff (Staff) has reviewed the proposed tariff sheet, and has no objections to the new rate becoming effective. Except as noted above and below, Staff is unaware of any other filings that may directly affect, or be affected by, this filing. Staff has no objections to the filing.

III. IntraLATA Presubscription Implementation Plan Tariff Filings Summary

Local Telephone Company	* Originating InterLATA per-minute CCL Rate	* Originating IntraLATA per-minute CCL Rate	Originating Intrastate per-minute Cost Recovery Surcharge	Cost Recovery Surcharge Tariff File Number	ILD Case No.
ALLTEL Missouri	0.04891	0.02365	0.0002110	2000 00861	TO-99-497
Alma Telephone	0.03020	0.01450	None	None	TO-99-524
BPS Telephone	0.02990	0.02990	0.0013600	2000 01163	TO-99-498
Cass County Telephone	0.02990	0.02990	None	None	TO-99-499
CenturyTel	0.02990	0.02990	None	None	None
CenturyTel of Northwest Arkansas	0.01000	0.01000	None	None	None
Chariton Valley Telephone (Co-Op)	0.04400	0.03220	0.0013890 0.0052900	2000 01010 2001 00353 2002 00935	TO-99-525
Choctaw Telephone	0.05970	0.03170	None	None	TO-99-526
Citizens Telephone	0.04450	0.04450	0.0028500	2000 01161	TO-99-500
Craw-Kan Telephone (Co-Op)	0.03470	0.02160	None	None	TO-99-501
Ellington Telephone	0.03800	0.06100	0.0021700 0.0074700	2000 01162 2003 00072	TO-99-502
Farber Telephone	0.03350	0.02630	None	None	TO-99-503
Fidelity Telephone	0.03807	0.03807	0.0007370	2000 00827	TO-99-496
Goodman Telephone	0.01000	0.01000	None	None	TO-99-504
Granby Telephone	0.03170	0.03500	None	None	TO-99-505
Grand River Mutual Telephone (Co-Op)	0.06820	0.04182	0.0029900	2001 01212	TO-99-506
Green Hills Telephone (Co-Op)	0.01471	0.01471	0.0015610	2000 00668	TO-99-507
Holway Telephone	0.04252	0.04252	0.0054430	2000 01007 2002 00006	TO-99-508
IAMO Telephone	0.02538	0.02538	0.0036330	2000 01032	TO-99-509
Kingdom Telephone (Co-Op)	0.03840	0.02467	0.0020200	2000 01023	TO-99-510
KLM Telephone	0.04457	0.04457	0.0022580	2000 00128	TO-99-511
Lathrop Telephone	0.01121	0.01121	0.0033400 0.0068600	2001 00013 2003 00099	TO-99-512
Le-Ru Telephone	0.02671	0.02671	0.0048100	2000 01157	TO-99-513
Mark Twain Rural Telephone (Co-Op)	0.04920	0.03291	0.0018600	2001 01214	TO-99-514
McDonald County Telephone	0.02666	0.02666	0.0020500 0.0029700	2000 01159 2003 00089	TO-99-515
Mid-Missouri Telephone	0.07080	0.04070	0.0009780 0.0046760	2000 01073 2001 00354 2002 00933	TO-99-527

Local Telephone Company	* Originating InterLATA per-minute CCL Rate	* Originating IntraLATA per-minute CCL Rate	Originating Intrastate per-minute Cost Recovery Surcharge	Cost Recovery Surcharge Tariff File Number	ILD Case No.
Miller Telephone	0.09860	0.04000	None	None	TO-99-516
Modern Telecommunications	0.02990	0.02990	0.0029900	2000 01155	TO-99-529
MoKan Dial	0.08420	0.03320	None	None	TO-99-528
New Florence Telephone	0.02080	0.03930	None	None	TO-99-517
New London Telephone	0.03940	0.01000	0.0011130	2000 00114	TO-99-523
Northeast Missouri Rural Telephone (Co-Op)	0.07198	0.07198	0.0017400 0.0046800	2000 01156 2001 00355 2002 00934	TO-99-530
Orchard Farm Telephone	0.04680	0.03610	0.0107910	2000 00115	TO-99-523
Oregon Farmers Mutual Telephone	0.03908	0.03908	0.0020000	2001 00043	TO-99-518
Ozark Telephone	0.03729	0.03729	None	None	TO-99-519
Peace Valley Telephone	0.071500 0.053018 0.053018	0.071500 0.053018 0.053018	0.0024200 0.0024200 0.0067500	2000 01158 2001 00854 2003 00090	TO-99-531 TT-01-118
Rock Port Telephone (Co-Op)	0.01004	0.01004	None	None	TO-99-520
Seneca Telephone	0.01925	0.01925	None	None	TO-99-521
Southwestern Bell Telephone	0.00983	0.00980	0.0012730	2001 00116	TO-99-535
Sprint Missouri	0.04006	0.04006	0.0005910	97 00801	TO-97-253
Steelville Telephone	0.01970	0.01970	0.0026400	2001 00404	TO-99-522
Stoutland Telephone	0.05000	0.02390	0.0005700	2000 00112	TO-99-523
Verizon Midwest	0.02100	0.02100	0.0007185	98 00015	TT-96-398

Notes: * Originating Rates shown do not include the Cost Recovery Surcharge.
All rate amounts in U.S. Dollars.